

Business to Business Testing for HIPAA Transactions

Introduction

The Michigan Department of Community Health (MDCH) is working aggressively to ensure its systems comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), which will take full effect on October 16, 2003. To prepare for HIPAA's requirements, during 2000, MDCH completed the Uniform Billing Project, which:

- Replaced proprietary claims with industry standard formats,
- Initiated outreach efforts which will continue through full HIPAA implementation,
- Replaced most local billing codes with national codes,
- Installed and tested EDI translation software, and
- Modified MDCH's internal claims processing system to accept and process HIPAA compliant transactions.

While HIPAA does not prohibit the use of paper claims or other paper transactions, MDCH strongly encourages all providers to communicate with the Department electronically. This may be performed by implementation of software that supports such generation and processing of such transactions or by contracting with an electronic service bureau or third-party billing agent who will perform those services on behalf of the provider.

MDCH will begin testing of all HIPAA compliant transactions by April 2003. All MDCH electronic trading partners should be prepared to begin testing by this date. Failure to test jeopardizes the provider's ability to get paid after October 16th. Now is the time for all MDCH trading partners to assess HIPAA preparedness and establish an internal testing plan. Your test plan should answer these important questions:

1. Will you submit electronic transaction using software purchased from a vendor? Will you prepare transactions internally? Will you contract with a third party billing agent who will file HIPAA compliant transactions on your behalf? Are you already enrolled as an electronic biller with MDCH? Will you utilize a clearinghouse for file submission?
2. Do you know where to secure information needed to successfully test? Do you know how to assemble resource materials needed for successful testing?
3. Are your transactions syntactically correct?
4. Do you understand procedures for submitting files to the Data Exchange Gateway (DEG) and how to retrieve and understand file acknowledgements?
5. Are you familiar with output that will be generated through the test process?

Providers are responsible for 2 stages of testing: Integrity testing and B2B testing.

What is Integrity Testing?

MDCH strongly recommends file integrity testing prior to B2B testing. Integrity testing helps determine if your file format is HIPAA compliant, but it does NOT mean that your file meets all MDCH business rules. It is your responsibility to test transactions independently prior to submission to MDCH. Integrity testing can be done as frequently as needed until files are syntactically correct. Tools available for integrity testing include:

- The *Foresight – HIPAA Validator* tool is available at no cost through a joint effort between MDCH and Blue Cross Blue Shield of Michigan. Access the service at http://www.bcbsm.com/providers/trans_test.shtml

- Certification for HIPAA compliance is available through Claredi and can be purchased at <http://claredi.com/>

What is Business-to-Business Testing?

Business-to-Business (B2B) testing is the process used by MDCH to ensure that trading partners can successfully transmit and receive electronic transactions, including processing of HIPAA compliant 837 transactions. MDCH is also performing B2B testing for other transactions, such as encounter data required by contracted health plans. MDCH will soon be engaged in B2B testing for other transactions besides 837 claims, including some outbound transactions generated by MDCH. B2B testing is recommended for all MDCH electronic trading partners.

Before B2B testing is initiated it is important that electronic billers become familiar with available resource documents needed for successful test transactions. This document identifies and links to many of the available resources that should be utilized in the B2B testing process. Other helpful resources are available on the MDCH web site, <http://www.michigan.gov/mdch> in the Providers area.

Business-to-Business Testing Instructions

We began our B2B testing activities with the following transactions. Refer to these instructions for detailed testing information including the process and associated time frames.

- [837 v4010 Institutional Claim](#)
- [837 v4010 Dental Claim](#)
- [837 v4010 Professional Claim](#)
- [837 v4010 Encounter](#)

Instructions to support B2B testing of additional transactions will be posted on the MDCH website once MDCH is ready to support B2B testing of those transactions.

Implementation Guides and Clarification Documents

Nationally published Implementation Guides should be used to prepare HIPAA compliant test transactions for submission to MDCH. Guides may be downloaded from http://www.wpc-edi.com/hipaa/hipaa_40.asp.

MDCH publishes Michigan Medicaid specific Data Clarification Documents to be used as a companion to the Implementation Guide. These documents must be used in preparation of files.

- [Data Clarification for Institutional Claims v4010](#)
- [Data Clarification for Professional Claims v4010](#)
- [Data Clarification for Dental Claims v4010](#)
- [Data Clarification for Institutional Encounter v4010](#)
- [Data Clarification for Professional Encounter v4010](#)
- [Data Clarification for Dental Encounter v 4010](#)

Supplemental Instructions for Mental Health, Substance Abuse and Medicaid Health Plans

In addition to the documents referenced above, capitated providers should refer to the additional supplemental instructions for encounter reporting. (These documents are not to be used for fee for service B2B testing.) A preliminary version of these documents was distributed to Michigan Mental Health Plans, Substance Abuse Plans, and Medicaid Health Plans during outreach and training programs conducted in 2002. ***Updated copies of these plans should be finalized and published on the MDCH web site by the end of February, 2003:***

- Supplemental Instructions for 837 Encounter and Quality Improvement Data Submission-Mental Health (for Mental Health Plans)
- Supplemental Instructions for 837 Encounter and Quality Improvement Data Submission-Substance Abuse (for Substance Abuse Coordinating Agencies)
- Supplemental Instructions for Electronic Data Submission-Medicaid Health Plans (for Medicaid Health Plans)

Submitting and Retrieving Transactions

The MDCH October 2002 Electronic Submission Manual describes how to become an electronic biller and submit data electronically to MDCH via the Data Exchange Gateway (DEG). We recommend that you maintain a copy of this manual for future reference. The sections below are excerpts from the manual and provide instructions for:

- Obtaining authorization to bill electronically (Sections 1 and 2)
- Preparing electronic files (Sections 3 and 4)
- Using the Data Exchange Gateway for sending and receiving files (Sections 5 and 6)
- Resources for Electronic Billing (Section 7)
- Preparing TR9000 files (Appendix A)
- Determining files that may be sent electronically to MDCH (Appendix B)
- Understanding functional acknowledgements (Appendix C)
- Glossary (Glossary)

You can access the above sections at www.michigan.gov/mdch go to Providers, click on the right quick link HIPAA Implementation and then scroll down to Sections of the MDCH October 2002 Electronic Submissions Manual.

You can also access this page directly at http://www.michigan.gov/mdch/0,1607,7-132-2945_5100-60982--,00.html

Code sets

National Code sets must be used when filing HIPAA compliant transactions. Sources for national codes include:

- Taxonomy Codes http://www.wpc-edi.com/Organizations_40.asp
- CPT 4 <http://www.ama-assn.org>
- HCPCS <http://www.cms.hhs.gov/medicare/hcpcs>
- NUBC <http://www.nubc.org>
- ICD-9 <http://www.cdc.gov/nchs/datawh/ftp/ftp9/ftp9.htm>
- Uniform Billing Manual <http://www.mha.org>

- Mental Health http://www.michigan.gov/documents/Crosswalk-CMHSP-080202rev3jkrev_38342_7.doc
- Substance Abuse http://www.michigan.gov/documents/CA-Crosswalk100302jk1_45786_7.doc
- Dental <http://www.ada.org/prof/prac/manage/benefits/cdtguide.html>

Other Helpful Resources

Other resources available within this website, including:

- [HIPAA FAQs](#)
- [Medicaid Policy](#)
- [Policy Bulletins](#)
- [General Information](#)
- [Michigan Virtual University](#)
- [Third Party Liability](#)

Support Team

AutomatedBilling@Michigan.gov for information and/or assistance in submitting electronic files via the DEG

ProviderSupport@Michigan.gov or 1 800-292-2550 for questions and or information

kunzj@michigan.gov for information and assistance in B2B testing

Hints to access MDCH web documents

* General directions to web links listed above: For Medicaid Policy, Medicaid Policy Bulletins or Third Party Liability go to www.michigan.gov/mdch click on Providers, Information for Medicaid Providers and the document desired. For Medicaid General Information go to www.michigan.gov/mdch click on Providers, Information for Medicaid Providers, click on Michigan Medicaid Uniform Billing Project and then General Information

* For Michigan Medicaid HIPAA related documents listed above you can access at www.michigan.gov/mdch click on Providers, then right click on the quicklink HIPAA Implementation Materials and this will link to a list of data clarification documents, testing instructions etc listed above.